

consumers, “adequate directions for use” in the conditions for which it is so sold.

*Provided, however,* That the information referred to in paragraph (b)(3) of this section may be contained in the labeling on or within the package from which it is to be dispensed.

(c) This exemption shall not apply to any substance intended for use in compounding which results in a new drug, unless an approved new-drug application covers such use of the drug in compounding prescriptions.

**§201.122 Drugs for processing, repackaging, or manufacturing.**

A drug in a bulk package, except tablets, capsules, or other dosage unit forms, intended for processing, repackaging, or use in the manufacture of another drug shall be exempt from section 502(f)(1) of the act if its label bears the statement “Caution: For manufacturing, processing, or repackaging”; and if in substantially all dosage forms in which it may be dispensed it is subject to section 503(b)(1) of the act, the statement “Caution: Federal law prohibits dispensing without prescription”, or if in substantially all dosage forms in which it may be dispensed it is subject to section 503(f)(1) of the act, the statement “Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian”. This exemption and the exemption under §201.120 may be claimed for the same article. However, the exemption shall not apply to a substance intended for a use in manufacture, processing, or repackaging which causes the finished article to be a new drug or new animal drug, unless:

(a) An approved new drug application or new animal drug application covers the production and delivery of the drug substance to the application holder by persons named in the application, and, for a new drug substance, the export of it by such persons under §314.410 of this chapter; or

(b) If no application is approved with respect to such new drug or new animal drug, the label statement “Caution: For manufacturing, processing, or repackaging” is immediately supplemented by the words “in the preparation of a new drug or new animal drug limited by Federal law to investigational use”,

and the delivery is made for use only in the manufacture of such new drug or new animal drug limited to investigational use as provided in part 312 or §511.1 of this chapter; or

(c) A new drug application or new animal drug application covering the use of the drug substance in the production and marketing of a finished drug product has been submitted but not yet approved or disapproved, the bulk drug is not exported, and the finished drug product is not further distributed after it is manufactured until after the new drug application or new animal drug application is approved.

[41 FR 6911, Feb. 13, 1976, as amended at 41 FR 15844, Apr. 15, 1976; 50 FR 7492, Feb. 22, 1985; 55 FR 11576, Mar. 29, 1990; 57 FR 54301, Nov. 18, 1992]

**§201.125 Drugs for use in teaching, law enforcement, research, and analysis.**

A drug subject to §201.100 or §201.105, shall be exempt from section 502(f)(1) of the act if shipped or sold to, or in the possession of, persons regularly and lawfully engaged in instruction in pharmacy, chemistry, or medicine not involving clinical use, or engaged in law enforcement, or in research not involving clinical use, or in chemical analysis, or physical testing, and is to be used only for such instruction, law enforcement, research, analysis, or testing.

[41 FR 6911, Feb. 13, 1976]

**§201.127 Drugs; expiration of exemptions.**

(a) If a shipment or delivery, or any part thereof, of a drug which is exempt under the regulations in this section is made to a person in whose possession the article is not exempt, or is made for any purpose other than those specified, such exemption shall expire, with respect to such shipment or delivery or part thereof, at the beginning of that shipment or delivery. The causing of an exemption to expire shall be considered an act which results in such drug being misbranded unless it is disposed of under circumstances in which it ceases to be a drug or device.

(b) The exemptions conferred by §§201.117, 201.119, 201.120, 201.122, and 201.125 shall continue until the drugs